

**IMMEDIATE RELEASE**

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**Strengthening our Nation's Domestic Energy Supply**

*By: Governor Sam Brownback and U.S. Senator Jerry Moran*

The increasing cost of conducting business in the United States threatens innovation and investment in new technologies. In today's unstable business environment, American industries are understandably reluctant to invest the time and resources necessary to grow their businesses. This is especially true for domestic energy production.

Energy production is one of the most highly regulated markets in the United States today. Government policies are hurting our country's ability to compete within the global economy, limiting our domestic energy supply and driving up the cost of energy for consumers. To ensure Kansans have access to a reliable and affordable supply of energy, we must develop more of our nation's natural resources.

One resource that is plentiful in Kansas is wind. Our state has the second highest wind resource potential in our country and leads the nation in wind production capacity currently under construction. If we expect the wind energy industry to provide for our country's future energy needs and make long-term investments in their businesses, Congress must reauthorize the wind production tax credit (PTC) that expires this year. By extending the wind PTC, Congress will allow the wind industry to complete its transformation from being a high tech startup to becoming cost competitive in the energy marketplace. Failure to do so will result in a tax hike on wind energy companies and will only further delay this industry's ability to compete.

There are those who view government intervention in the energy sector as picking winners and losers. But the wind PTC is a winning solution because it allows companies to keep more of their own dollars in exchange for the production of energy. These are not cash handouts; they are reductions in taxes that help cover the cost of doing business. Unlike President Obama's failed stimulus plan that rewards individual, unproven companies like Solyndra with cash handouts, the wind PTC is an industry tax credit that has led to \$20 billion in annual private investment in our energy infrastructure.

Today, the American wind industry includes more than 400 manufacturing facilities in 43 states. In 2005, just 25 percent of the value of a wind turbine was produced in the United States

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compared to more than 60 percent today. Because of their close proximity to wind farms, American workers can produce the critical components at a lower cost than their European and Asian counterparts. As more components are manufactured in the United States and not overseas, the cost to produce electricity from wind farms will be further driven down.

If the wind PTC is allowed to expire, local economies across our state will suffer. Kansas counties will lose \$3.7 million in annual payments from wind companies. Kansas landowners will lose nearly \$4 million annually in additional income they earn from leasing or selling their land for wind farms. And every Kansan will ultimately be affected because the power generated by these wind facilities contributes to our supply of electricity. By eliminating additional sources of electricity, utility rates will climb.

To meet our country's energy needs and remain competitive in the global market, Congress must develop a national energy policy. Recent events in the Middle East have demonstrated once again the importance of having access to an ample domestic energy supply so we are less dependent on foreign sources. If Congress fails, Kansans will soon be paying much higher energy prices – for the gas to fill up our cars, for the fuel to power our farm equipment, and for the electricity to turn on our lights.

Temporarily extending the wind PTC is not about picking winners and losers – it is about preparing our country to meet our growing energy demand. Rather than make it more difficult for the private sector to develop energy sources, we should lower taxes, reduce regulations, and allow the private sector to succeed in the free market. In turn, the wind industry will grow and become fully competitive – no longer needing the wind PTC. By strengthening American energy production, our country's future will be stronger and more secure.

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